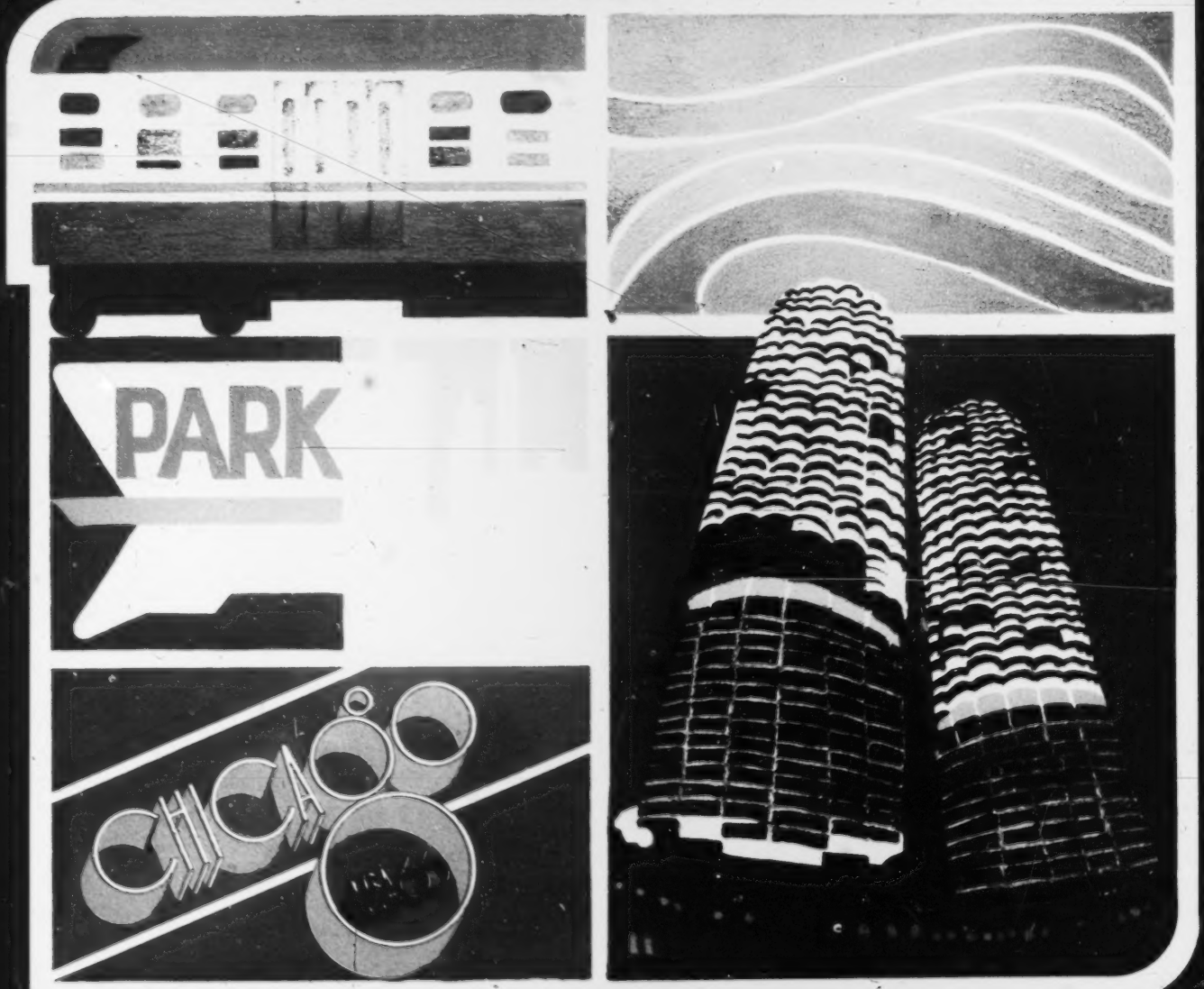
# Mortgage Banker

October 1979

MBA's 66th Annual Convention

IN THIS ISSUE:
Income Property Conference
"Due-on-Sale" Loans and the Law
40th Anniversary, *Mortgage Banker*



# Mortgage Banker

VOLUME 40 NUMBER 1 OCTOBER 1979

PUBLISHED MONTHLY SINCE 1939 BY THE MORTGAGE BANKERS ASSOCIATION OF AMERICA

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**Mortgage Banker (ISSN 0027-1241)**
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**Business and Editorial Offices**
1125 Fifteenth Street, N.W.,
Washington, D.C. 20005.
**Editorial:** (202) 785-8333
**Circulation:** (202) 785-8333
**Advertising:** (202) 785-8333.

# Mortgage Market Trends

Prepared By MBA's Economics Department

September 20, 1979

The rebound in housing sales in July most likely resulted from pent up demand caused by the reduced sales levels of preceding months. The sales decline in the early summer was largely attributable to the unavailability of gasoline and general uncertainty caused by the gasoline shortage. Similarly, the strong July performance probably encouraged the relatively high level of housing starts in August. However, the strong sales performance in the housing market is likely to face significant declines in the final quarter of the year.

In the long-run, housing is a boom industry. The basic raw materials to support a significant growth in housing sales are already in place; the post-war baby boom population is in the prime, first-time, home-buying age group. The housing demand created by these people will sustain housing activity through the next decade. Short-term factors, however, should adversely affect housing activity for the next six to nine months.

While the basic population is in place and will demand more housing, the income necessary to support housing purchases is being eroded. Real personal income has been declining slightly for the past six months as price increases have outstripped income increases. As the rate of unemployment grows and as overtime and hours worked begin to decline, real personal income should decline at an accelerating rate. A decreased level of real income will result in the postponement of house purchases and a general weakening of housing activity as we move deeper into the recession.

Another factor working to the detriment of the housing market is the adverse state of the financial markets. Current Federal Reserve policy for high interest rates is driving up the cost of funds for all mortgage lenders. The increased cost of funds, along with the general increase in the cost of operations, has driven mortgage interest rates to record highs. The higher cost of debt service on larger mortgage amounts is taxing the abilities of the potential home buyer as real incomes decline. The result will be a significant slowdown in the rate of house sales.

Thus, the ability and willingness to purchase housing will be suppressed over the next six to nine months as unemployment rises and reduced economic activity causes consumers to tighten their belts. However, potential housing demand will be waiting in readiness for another economic expansion to fuel housing sales.

Dr. Thomas R. Harter, Chief Economist

# MORTGAGE MARKET TRENDS - OCTOBER, 1979

## RESIDENTIAL STRUCTURES, BY UNIT TYPE

(Units in thousands)

| Year and Month | PERMITS 16,000 ISSUING PLACES: Actual: Total | 1-4 Units | 5+ Units | PERMITS 16,000 ISSUING PLACES: Seasonally Adjusted Annual Rate: Total | 1-4 Units | 5+ Units | HOUSING STARTS: Actual: Total | 1-4 Units | 5+ Units | HOUSING STARTS: Seasonally Adjusted Annual Rate: Total | 1-4 Units | 5+ Units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1978 | | | | | | | | | | | | |
| JUN | 184 | 133 | 51 | 1.821 | 1.279 | 542 | 216 | 168 | 48 | 2.093 | 1.582 | 511 |
| JUL | 140 | 102 | 38 | 1.632 | 1.142 | 490 | 192 | 152 | 40 | 2.104 | 1.589 | 515 |
| AUG | 146 | 109 | 37 | 1.563 | 1.145 | 418 | 191 | 151 | 40 | 2.004 | 1.568 | 436 |
| SEP | 141 | 99 | 42 | 1.731 | 1.217 | 514 | 181 | 135 | 46 | 2.024 | 1.544 | 480 |
| OCT | 148 | 107 | 41 | 1.719 | 1.260 | 459 | 192 | 145 | 47 | 2.054 | 1.571 | 483 |
| NOV | 129 | 91 | 38 | 1.724 | 1.245 | 479 | 158 | 122 | 36 | 2.107 | 1.652 | 455 |
| DEC | 104 | 71 | 33 | 1.664 | 1.285 | 379 | 120 | 89 | 31 | 2.074 | 1.658 | 416 |
| 1979 | | | | | | | | | | | | |
| JAN | 81 | 56 | 25 | 1.324 | 959 | 365 | 88 | 64 | 24 | 1.679 | 1.263 | 416 |
| FEB | 84 | 57 | 27 | 1.321 | 878 | 443 | 84 | 64 | 20 | 1.381 | 1.029 | 352 |
| MAR | 141 | 103 | 38 | 1.531 | 1.103 | 428 | 153 | 120 | 33 | 1.786 | 1.382 | 404 |
| APR | 139 | 106 | 33 | 1.437 | 1.082 | 355 | 161 | 131 | 30 | 1.745 | 1.393 | 352 |
| MAY | 162 | 111 | 41 | 1.618 | 1.163 | 455 | 189 | 144 | 45 | 1.835 | 1.345 | 490 |
| JUN | 156 | 112 | 44 | 1.639 | 1.144 | 495 | 193 | 147 | 46 | 1.935 | 1.419 | 516 |
| JUL | 138 | 104 | 34 | 1.528 | 1.136 | 392 | 164 | 130 | 34 | 1.791 | 1.360 | 431 |
| AUG | 148p | 107p | 41p | 1.614p | 1.149- | 465p | 169p | 130p | 39p | 1.783p | 1.374p | 409p |
| 7 months | | | | | | | | | | | | |
| 1979 | 901 | 659 | 242 | | | | 1.032 | 800 | 232 | | | |
| 1978 | 991 | 725 | 266 | | | | 1.179 | 918 | 261 | | | |
| 1977 | 967 | 730 | 237 | | | | 1.139 | 916 | 223 | | | |
| 1976 | 710 | 568 | 142 | | | | 857 | 718 | 139 | | | |

## VALUE OF NEW CONSTRUCTION PUT IN PLACE

(Dollars in millions)

| Year and Month | Seasonally Adjusted Annual Rate: Total | Private | Public | Non-Res |
|---|---|---|---|---|
| 1978 | | | | |
| JUN | 113.910 | 63.195 | 13.373 | 37.342 |
| JUL | 115.359 | 63.344 | 14.346 | 37.669 |
| AUG | 114.679 | 63.273 | 13.806 | 37.600 |
| SEP | 115.051 | 63.063 | 13.742 | 38.246 |
| OCT | 115.529 | 63.480 | 13.366 | 38.703 |
| NOV | 118.608 | 64.884 | 14.024 | 39.700 |
| DEC | 120.739 | 66.243 | 14.251 | 40.245 |
| 1979 | | | | |
| JAN | 112.999 | 61.407 | 13.208 | 38.384 |
| FEB | 115.191 | 62.308 | 14.663 | 38.220 |
| MAR | 119.213 | 61.376 | 14.967 | 42.868 |
| APR | 118.621 | 59.868 | 16.108 | 42.645 |
| MAY | 120.904 | 59.735 | 15.932 | 45.248 |
| JUN | 124.536 | 60.447 | 17.300 | 46.789 |
| JUL | 124.875p | 60.519p | 17.362p | ob.994p |
| AUG | n.a | n.a | n.a | n.a |

## HOUSE SALES

(Units in thousands)

| Year and Month | EXISTING HOUSES | NEW HOUSES: Sold | NEW HOUSES: Available For Sale | NEW HOUSES: Months Supply at Current Rate |
|---|---|---|---|---|
| 1978 | | | | |
| JUN | 382 | 77 | 422 | 5.5 |
| JUL | 351 | 68 | 420 | 6.2 |
| AUG | 395 | 72 | 421 | 5.8 |
| SEP | 329 | 68 | 419 | 6.2 |
| OCT | 335 | 70 | 414 | 5.9 |
| NOV | 303 | 53 | 422 | 8.0 |
| DEC | 236 | 51 | 421 | 8.3 |
| 1979 | | | | |
| JAN | 245 | 53 | 411 | 7.8 |
| FEB | 263 | 58 | 399 | 5.3 |
| MAR | 336 | 73 | 416 | 5.7 |
| APR | 336 | 72 | 417 | 5.7 |
| MAY | 374 | 69 | 426 | 6.2 |
| JUN | 348 | 64 | 420 | 6.6 |
| JUL | n.a | 67p | 421p | 6.2p |
| AUG | n.a | n.a | n.a | n.a |
| 7 months | | | | |
| 1979 | n.a | 455 | | |
| 1978 | 2.307 | 505 | | |
| 1977 | 2.074 | 506 | | |
| 1976 | 1.771 | 379 | | |

## RESIDENTIAL STRUCTURES, BY REGION

(Units in thousands)

| Year and Month | PERMITS 16,000 ISSUING PLACES: Actual: North East | North Central | South | West | Seasonally Adjusted Annual Rate: North East | North Central | South | West | STARTS: Actual: North East | North Central | South | West | Seasonally Adjusted Annual Rate: North East | North Central | South | West |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1978 | | | | | | | | | | | | | | | | |
| JUN | 19 | 42 | 53 | 72 | 191 | 363 | 538 | 729 | 23 | 56 | 81 | 56 | 212 | 474 | 869 | 538 |
| JUL | 18 | 34 | 36 | 42 | 219 | 377 | 553 | 483 | 22 | 47 | 71 | 52 | 219 | 465 | 861 | 559 |
| AUG | 19 | 37 | 48 | 42 | 189 | 381 | 533 | 460 | 21 | 43 | 76 | 50 | 217 | 419 | 803 | 565 |
| SEP | 18 | 37 | 48 | 39 | 204 | 424 | 602 | 501 | 22 | 42 | 73 | 44 | 233 | 448 | 808 | 535 |
| OCT | 16 | 37 | 53 | 42 | 162 | 375 | 657 | 525 | 21 | 27 | 78 | 46 | 206 | 432 | 879 | 537 |
| NOV | 16 | 28 | 48 | 36 | 196 | 355 | 670 | 503 | 17 | 43 | 62 | 37 | 186 | 526 | 852 | 543 |
| DEC | 13 | 16 | 39 | 36 | 198 | 327 | 612 | 527 | 14 | 19 | 47 | 39 | 238 | 447 | 786 | 603 |
| 1979 | | | | | | | | | | | | | | | | |
| JAN | 10 | 8 | 35 | 29 | 189 | 198 | 500 | 437 | 8 | 7 | 45 | 28 | 275 | 245 | 745 | 414 |
| FEB | 6 | 10 | 37 | 31 | 140 | 229 | 506 | 446 | 6 | 7 | 42 | 29 | 168 | 184 | 614 | 450 |
| MAR | 12 | 25 | 62 | 42 | 143 | 294 | 646 | 448 | 12 | 6 | 75 | 40 | 177 | 363 | 794 | 452 |
| APR | 14 | 31 | 51 | 43 | 142 | 297 | 543 | 455 | 15 | 34 | 65 | 47 | 160 | 354 | 690 | 541 |
| MAY | 18 | 37 | 60 | 48 | 181 | 328 | 616 | 493 | 18 | 50 | 72 | 51 | 170 | 412 | 746 | 507 |
| JUN | 18 | 34 | 59 | 45 | 199 | 332 | 636 | 472 | 19 | 24 | 79 | 51 | 181 | 377 | 890 | 487 |
| JUL | 15 | 27 | 51 | 45 | 161 | 281 | 585 | 501 | 18 | 36 | 68 | 43 | 182 | 351 | 794 | 464 |
| AUG | 15p | 29p | 59p | 45p | 1.478 | 299p | 662p | 508p | 20p | 38p | 73p | 39p | 185p | 376p | 782p | 440p |
| 7 months | | | | | | | | | | | | | | | | |
| 1979 | 93 | 172 | 355 | 283 | | | | | 96 | 164 | 446 | 289 | | | | |
| 1978 | 98 | 213 | 381 | 349 | | | | | 105 | 256 | 488 | 330 | | | | |
| 1977 | 102 | 203 | 326 | 316 | | | | | 108 | 264 | 443 | 324 | | | | |
| 1976 | 80 | 174 | 233 | 225 | | | | | 90 | 218 | 329 | 222 | | | | |

## CONSTRUCTION STATUS

(Units in thousands)

| Year and Month | UNDER CONSTRUCTION: Total | 1-4 Units | 5+ Units | COMPLETIONS: Total | 1-4 Units | 5+ Units |
|---|---|---|---|---|---|---|
| 1978 | | | | | | |
| JUN | 1.340 | 895 | 445 | 167 | 129 | 38 |
| JUL | 1.363 | 919 | 444 | 166 | 125 | 41 |
| AUG | 1.373 | 928 | 445 | 178 | 139 | 39 |
| SEP | 1.371 | 918 | 453 | 181 | 145 | 36 |
| OCT | 1.381 | 913 | 468 | 180 | 146 | 34 |
| NOV | 1.371 | 900 | 471 | 167 | 134 | 33 |
| DEC | 1.310 | 848 | 462 | 170p | 136p | 34p |
| 1979 | | | | | | |
| JAN | 1.270 | 813 | 457 | 129 | 100 | 29 |
| FEB | 1.223 | 776 | 447 | 126 | 97 | 29 |
| MAR | 1.216 | 777 | 439 | 149 | 113 | 36 |
| APR | 1.228 | 793 | 435 | 142 | 111 | 31 |
| MAY | 1.259 | 831 | 438 | 156 | 113 | 43 |
| JUN | 1.283 | 837 | 446 | 166 | 130 | 36 |
| JUL | 1.298p | 853p | 445p | 150p | 115p | 35p |
| AUG | n.a | n.a | n.a | n.a | n.a | n.a |
| 7 months | | | | | | |
| 1979 | | | | 1.019 | 779 | 240 |
| 1978 | | | | 991 | 785 | 206 |
| 1977 | | | | 856 | 692 | 164 |
| 1976 | | | | 725 | 578 | 147 |

## INTEREST RATES AND YIELDS

| Year and Month | FHA/VA MORTGAGES: FHLBB Opinion Survey: FHA Non-Discounted | Conventional: New | Conventional: Existing | FHLBB Survey: Conventional: New | Conventional: Existing | APARTMENTS[4] | CONSTRUCTION LOANS[5] All Types | FNMA: FNMA Auction Yields on 4-mo Commitments[6] FHA/VA Conv | GNMA Current Securities Yield[7] | SELECTED SECURITIES: Aaa Utility New Issue | U.S. Govt: 10-yr | U.S. Govt: 26-wk | Prime Commercial Paper 90-119 Days | SPREADS (Basis Points): FHA New Minus Aaa Utility | SPREADS (Basis Points): GNMA minus 10-yr Govt |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1978 | | | | | | | | | | | | | | | |
| JUN | n.a | 9.75 | 9.75 | 9.46 | 9.48 | 9.750-10.00 | | 9.918 10.092 | 9.09 | 9.09 | 8.46 | 7.200 | 7.59 | n.a | 63 |
| JUL | 9.92 | 9.80 | 9.80 | 9.57 | 9.63 | 9.750-10.00 | | 10.016 10.188 | 9.18 | 9.14 | 8.64 | 7.471 | 7.85 | 78 | 54 |
| AUG | 9.78 | 9.80 | 9.80 | 9.70 | 9.77 | 9.750-10.250 | 10.43 | 9.801 10.101 | 8.98 | 8.82 | 8.41 | 7.363 | 7.83 | 96 | 57 |
| SEP | 9.78 | 9.80 | 9.85 | 9.73 | 9.84 | 9.720-10.125 | | 9.782 10.015 | 9.09 | 8.86 | 8.42 | 7.948 | 8.39 | 92 | 67 |
| OCT | 9.93 | 9.95 | 9.95 | 9.83 | 9.90 | 9.750-10.125 | | 10.053 10.198 | 9.33 | 9.17 | 8.64 | 8.493 | 8.98 | 76 | 69 |
| NOV | 9.99 | 10.10 | 10.15 | 9.86 | 9.97 | 9.750-10.125 | 11.55 | 10.293 10.560 | 9.43 | 9.27 | 8.81 | 9.204 | 10.14 | 72 | 62 |
| DEC | 10.16 | 10.30 | 10.30 | 10.02 | 10.08 | 9.875-10.125 | | 10.508 10.825 | 9.61 | 9.28 | 9.01 | 9.397 | 10.37 | 88 | 80 |
| 1979 | | | | | | | | | | | | | | | |
| JAN | 10.17 | 10.30 | 10.30 | 10.18 | 10.33 | 10.125-10.250 | | 10.693 11.060 | 9.70 | 9.54 | 9.10 | 9.501 | 10.25 | 63 | 60 |
| FEB | 10.17 | 10.35 | 10.35 | 10.18 | 10.36 | 10.125-10.250 | 11.79 | 10.506 11.040 | 9.68 | 9.53p | 9.10 | 9.349 | 9.95 | 64 | 60 |
| MAR | 10.19 | 10.35 | 10.40 | 10.32 | 10.47 | 10.125-10.375 | | 10.423 10.932 | 9.73 | 9.62 | 9.12 | 9.458 | 9.90 | 57 | 61 |
| APR | n.a | 10.55 | 10.55 | 10.34 | 10.54 | 10.125-10.375 | | 10.645 11.035 | 9.86 | 9.70 | 9.18 | 9.490 | 9.85 | n.a | 68 |
| MAY | 10.61 | 10.80 | 10.80 | 10.47 | 10.60 | 10.250-10.500 | 12.23 | 10.847 11.357 | 10.02 | 9.83 | 9.23 | 9.531 | 9.94 | 78 | 79 |
| JUN | 10.49 | 10.90 | 10.90 | 10.66 | 10.71 | 10.250-10.625 | | 10.773 11.560 | 9.81 | 9.50 | 8.91 | 9.062 | 9.76 | 99 | 90 |
| JUL | 10.46 | 10.95 | 11.00 | 10.78 | 10.93 | 10.250-10.625 | | 10.652 11.521 | 9.81 | 9.39 | 8.95 | 9.236 | 9.87 | 87 | 86 |
| AUG | n.a | n.a | n.a | 11.02p | 11.14p | 10.375-10.625 | n.a | 10.671 11.517 | 9.97 | 9.48 | 8.99 | 9.425 | 10.27 | n.a | 98 |

## LONG-TERM MORTGAGE LOANS CLOSED

(Dollars in Millions)

| Year and Month | BY TYPE OF INSTITUTION | | | | | BY TYPE OF UNIT AND INSTITUTION | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 1-4 Units | | | | | 5+ Units | | | | | Nonresidential | | | | |
| | Total | Mtg Bankers | S&Ls | Banks[8] | Life Cos | Total | Mtg Bankers | S&Ls | Banks[8] | Life Cos | Total | Mtg Bankers | S&Ls | Banks[8] | Life Cos | Total | Mtg Bankers | S&Ls | Banks[8] | Life Cos |
| 1978 | | | | | | | | | | | | | | | | | | | | |
| APR | 14,389 | 2,870 | 5,421 | 5,296 | 802 | 11,030 | 2,320 | 5,020 | 3,647 | 43 | 863 | 180 | 241 | 286 | 156 | 2,496 | 370 | 160 | 1,363 | 603 |
| MAY | 16,667 | 3,230 | 6,560 | 6,048 | 829 | 13,225 | 2,760 | 6,144 | 4,280 | 41 | 682 | 40 | 280 | 267 | 95 | 2,760 | 430 | 136 | 1,501 | 693 |
| JUN | 20,015 | 3,820 | 7,541 | 7,552 | 1,102 | 15,843 | 3,320 | 7,096 | 5,335 | 92 | 885 | 140 | 261 | 341 | 143 | 3,287 | 360 | 184 | 1,876 | 867 |
| JUL | 17,248 | 3,690 | 5,888 | 6,752 | 918 | 13,542 | 3,200 | 5,570 | 4,717 | 55 | 832 | 180 | 186 | 302 | 164 | 2,874 | 310 | 132 | 1,733 | 699 |
| AUG | 19,794 | 4,120 | 6,948 | 7,710 | 1,016 | 15,640 | 3,570 | 6,601 | 5,414 | 55 | 855 | 150 | 229 | 351 | 125 | 3,299 | 490 | 118 | 1,945 | 836 |
| SEP | 17,586 | 4,080 | 6,165 | 6,385 | 956 | 13,778 | 3,510 | 5,867 | 4,352 | 49 | 662 | 100 | 182 | 278 | 102 | 3,146 | 470 | 116 | 1,755 | 805 |
| OCT | 18,238 | 4,670 | 6,205 | 6,273 | 1,090 | 13,902 | 3,850 | 5,860 | 4,129 | 63 | 694 | 70 | 217 | 223 | 184 | 3,642 | 750 | 128 | 1,921 | 843 |
| NOV | 18,204 | 4,280 | 5,895 | 6,837 | 1,192 | 13,844 | 3,720 | 5,582 | 4,442 | 100 | 769 | 170 | 193 | 266 | 140 | 3,591 | 390 | 120 | 2,179 | 952 |
| DEC | 19,905 | 5,670 | 5,269 | 6,563 | 2,399 | 13,371 | 3,790 | 4,913 | 4,440 | 228 | 1,104 | 200 | 204 | 365 | 335 | 5,430 | 1,680 | 152 | 1,762 | 1,836 |
| 1979 | | | | | | | | | | | | | | | | | | | | |
| JAN | 14,599 | 4,080 | 4,080 | 5,740 | 699 | 11,016 | 3,640 | 3,779 | 3,530 | 67 | 677 | 120 | 182 | 278 | 97 | 2,906 | 320 | 119 | 1,932 | 535 |
| FEB | 12,072 | 3,560 | 3,419 | 4,245 | 848 | 8,901 | 2,840 | 3,181 | 2,797 | 83 | 522 | 50 | 141 | 184 | 147 | 2,649 | 670 | 97 | 1,264 | 618 |
| MAR | 14,051 | 3,340 | 4,716 | 4,818 | 1,157 | 10,729 | 2,890 | 4,433 | 3,322 | 84 | 709 | 150 | 167 | 286 | 106 | 2,593 | 300 | 116 | 1,210 | 967 |
| APR | 15,061 | 3,810 | 5,386 | 4,892 | 973 | 11,699 | 3,040 | 5,115 | 3,400 | 144 | 873 | 350 | 165 | 238 | 120 | 2,489 | 420 | 106 | 1,254 | 709 |
| MAY | 17,183 | 3,910 | 6,671 | 5,616 | 986 | 13,819 | 3,396 | 6,316 | 4,050 | 57 | 567 | 65 | 231 | 213 | 58 | 2,797 | 449 | 124 | 1,353 | 871 |
| JUN | 19,899 | 4,263 | 7,209 | 7,120 | 1,307 | 16,005 | 3,754 | 6,848 | 5,246 | 107 | 879 | 199 | 208 | 225 | 247 | 3,065 | 310 | 153 | 1,649 | 953 |
| JUL | n.a | 4,317p | 6,103p | n.a | n.a | n.a | 3,811p | 5,806 | n.a | n.a | n.a | 151p | 175p | n.a | n.a | n.a | 355p | 122p | n.a | n.a |

## LONG-TERM COMMITMENT ACTIVITY

(Dollars in Millions)

| Year and Month | OUTSTANDING | | | | | ISSUED DURING MONTH | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Mtg Bankers | S&Ls | Banks[8] | Life Cos | Total | Mtg Bankers | S&Ls | Banks[8] | Life Cos |
| 1978 | | | | | | | | | | |
| APR | 70,450 | 15,100 | 23,398 | 11,646 | 20,306 | 19,250 | 4,260 | 9,486 | 3,498 | 2,026 |
| MAY | 74,237 | 16,410 | 23,939 | 12,646 | 21,242 | 21,300 | 4,620 | 10,098 | 4,321 | 2,261 |
| JUN | 75,381 | 16,870 | 22,927 | 13,171 | 22,413 | 21,125 | 4,960 | 9,198 | 4,215 | 2,752 |
| JUL | 77,100 | 17,920 | 22,393 | 13,649 | 23,138 | 18,482 | 4,780 | 7,925 | 3,672 | 2,105 |
| AUG | 74,650 | 17,060 | 22,047 | 12,432 | 23,111 | 17,618 | 3,810 | 8,924 | 3,251 | 1,633 |
| SEP | 74,316 | 16,170 | 21,648 | 13,293 | 23,205 | 17,568 | 4,280 | 8,163 | 3,415 | 1,710 |
| OCT | 75,247 | 16,570 | 21,503 | 13,545 | 23,629 | 19,065 | 5,450 | 8,594 | 3,081 | 1,940 |
| NOV | 74,594 | 17,270 | 20,738 | 12,393 | 24,193 | 17,272 | 4,300 | 7,813 | 3,009 | 2,150 |
| DEC | 72,426 | 17,300 | 18,911 | 12,029 | 24,186 | 16,155 | 4,830 | 6,167 | 2,475 | 2,683 |
| 1979 | | | | | | | | | | |
| JAN | 71,434 | 17,320 | 18,053 | 11,271 | 24,790 | 13,865 | 4,050 | 5,478 | 2,362 | 1,975 |
| FEB | 72,130 | 16,490 | 19,038 | 11,637 | 24,965 | 13,580 | 3,630 | 6,076 | 2,234 | 1,640 |
| MAR | 75,593 | 17,430 | 21,085 | 11,549 | 25,529 | 17,520 | 3,900 | 8,713 | 2,525 | 2,382 |
| APR | 76,264 | 14,860 | 22,923 | 12,169 | 26,312 | 19,030 | 4,020 | 9,493 | 3,257 | 2,260 |
| MAY | 80,544 | 15,855 | 23,569 | 13,127 | 27,993 | 21,926 | 4,630 | 10,387 | 3,745 | 3,164 |
| JUN | 79,826 | 14,831 | 22,777 | 13,139 | 29,079 | 19,527 | 3,823 | 9,003 | 3,795 | 2,906 |
| JUL | n.a | 17,111p | 22,367p | n.a | n.a | n.a | 4,390p | n.a | n.a | n.a |

## MORTGAGE INSURANCE

(Units in thousands, dollars in millions)

| Year and Month | APPLICATIONS RECEIVED, UNITS | | | INSURED | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Total | | FHA(203) | | VA | | Private | |
| | Total | FHA/VA | Private | Units | Amt | Units | Amt | Units | Amt | Units | Amt |
| 1978 | | | | | | | | | | | |
| APR | 162 | 92 | 70 | 102 | 3,813 | 20 | 624 | 25 | 989 | 57 | 2,200 |
| MAY | 179 | 96 | 83 | 115 | 4,275 | 23 | 713 | 30 | 1,180 | 62 | 2,382 |
| JUN | 162 | 85 | 77 | 117 | 4,441 | 20 | 635 | 28 | 1,109 | 69 | 2,697 |
| JUL | 155 | 89 | 66 | 114 | 4,379 | 22 | 691 | 29 | 1,179 | 63 | 2,509 |
| AUG | 169 | 96 | 73 | 129 | 4,935 | 23 | 761 | 33 | 1,319 | 73 | 2,855 |
| SEP | 138 | 73 | 65 | 102 | 3,949 | 18 | 584 | 22 | 881 | 62 | 2,484 |
| OCT | 188 | 122 | 66 | 131 | 4,931 | 40 | 1,279 | 28 | 1,179 | 63 | 2,473 |
| NOV | 152 | 94 | 58 | 121 | 4,002 | 17 | 574 | 27 | 1,116 | 77 | 2,312 |
| DEC | 121 | 72 | 49 | 93 | 3,805 | 11 | 388 | 28 | 1,177 | 54 | 2,240 |
| 1979 | | | | | | | | | | | |
| JAN | 118 | 79 | 39 | 109 | 4,393 | 29 | 963 | 33 | 1,419 | 47 | 2,011 |
| FEB | 114 | 74 | 40 | 93 | 3,861 | 27 | 936 | 31 | 1,367 | 35 | 1,558 |
| MAR | 157 | 102 | 55 | 98 | 4,023 | 25 | 855 | 32 | 1,415 | 41 | 1,753 |
| APR | 169 | 106 | 63 | 90 | 3,741 | 19 | 665 | 24 | 1,075 | 47 | 2,001 |
| MAY | 185 | 116 | 69 | 102 | 4,246 | 23 | 806 | 24 | 1,082 | 55 | 2,358 |
| JUN | 166 | 103 | 63 | 103 | 4,338 | 24 | 846 | 24 | 1,096 | 55 | 2,396 |
| JUL | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a |

## SECONDARY MARKET ACTIVITY

(Dollars in Millions)

| Year and Month | FNMA | | | | | FHLMC | | | GNMA | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 4-Month Commitments | | | | 12 Month Convert Standby | Comm | Purc | Sold | Pass Through Securities | |
| | FHA/VA | | Conventional | | | | | | Applications | Issued |
| | Bid | Accept | Bid | Accept | | | | | | |
| 1978 | | | | | | | | | | |
| JUN | 1,095 | 637 | 574 | 342 | 491 | 762 | 500 | 793 | 2,811 | 999 |
| JUL | 757 | 472 | 316 | 179 | 299 | 738 | 520 | 725 | 3,028 | 997 |
| AUG | 499 | 277 | 225 | 128 | 126 | 838 | 742 | 299 | 3,907 | 1,648 |
| SEP | 718 | 336 | 485 | 284 | 283 | 678 | 670 | 402 | 3,036 | 1,203 |
| OCT | 1,965 | 832 | 1,157 | 496 | 502 | 514 | 791 | 370 | 3,580 | 1,762 |
| NOV | 788 | 322 | 861 | 387 | 507 | 582 | 765 | 581 | 2,869 | 1,721 |
| DEC | 627 | 320 | 417 | 221 | 319 | 290 | 598 | 340 | 3,295 | 1,381 |
| 1979 | | | | | | | | | | |
| JAN | 305 | 155 | 114 | 58 | 132 | 327 | 498 | 321 | 2,925 | 1,426 |
| FEB | 211 | 161 | 63 | 45 | 89 | 295 | 401 | 291 | 2,892 | 1,304 |
| MAR | 508 | 284 | 145 | 114 | 71 | 427 | 350 | 116 | 2,680 | 1,453 |
| APR | 1,323 | 638 | 662 | 364 | 517 | 492 | 358 | 363 | 5,907 | 1,488 |
| MAY | 426 | 185 | 459 | 214 | 503 | 601 | 560 | 572 | 3,009 | 1,673 |
| JUN | 220 | 100 | 358 | 195 | 277 | 462 | 447 | 182 | 3,621 | 1,860 |
| JUL | 133 | 70 | 94 | 70 | 160 | 517 | 518 | 320 | n.a | n.a |
| AUG | 162 | 83 | 246 | 184 | 184 | n.a | n.a | n.a | n.a | n.a |

## MORTGAGE BANKERS CONSTRUCTION AND LAND LOAN ACTIVITY

(Dollars in Millions)

| Year and Month | DISBURSEMENTS DURING MONTH | | | | | OUTSTANDING COMMITMENTS TO BORROWERS | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Construction | | | | Land Loans | | | | |
| | Total | 1-4 Units | 5+ Units | Nonres | | Total | 1-4 Units | 5+ Units | Nonres |
| 1978 | | | | | | | | | |
| JUN | 520 | 260 | 120 | 140 | 40 | 3,940 | 1,510 | 1,020 | 1,410 |
| JUL | 440 | 220 | 100 | 120 | 40 | 4,120 | 1,550 | 1,080 | 1,490 |
| AUG | 530 | 240 | 150 | 140 | 40 | 4,370 | 1,570 | 1,110 | 1,690 |
| SEP | 510 | 250 | 100 | 160 | 40 | 4,290 | 1,510 | 1,140 | 1,640 |
| OCT | 600 | 260 | 160 | 180 | 60 | 4,320 | 1,530 | 1,180 | 1,610 |
| NOV | 570 | 260 | 120 | 190 | 40 | 4,150 | 1,520 | 1,110 | 1,520 |
| DEC | 620 | 270 | 180 | 170 | 40 | 4,190 | 1,550 | 1,130 | 1,510 |
| 1979 | | | | | | | | | |
| JAN | 550 | 250 | 100 | 200 | 50 | 4,400 | 1,700 | 1,140 | 1,560 |
| FEB | 420 | 230 | 80 | 110 | 30 | 4,130 | 1,640 | 960 | 1,530 |
| MAR | 470 | 280 | 80 | 110 | 40 | 4,620 | 1,700 | 1,150 | q1,770 |
| APR | 570 | 300 | 120 | 150 | 50 | 4,250 | 1,610 | 1,230 | 1,410 |
| MAY | 560 | 330 | 100 | 130 | 60 | 3,910 | 1,820 | 740 | 1,350 |
| JUN | 700 | 450 | 110 | 140 | 50 | 4,460 | 2,060 | 1,120 | 1,280 |
| JUL | 610p | 320p | 130p | 160p | 60p | 4,510p | 2,000p | 1,080p | 1,430p |
| AUG | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a |

n.a.-Not available, p-Preliminary

[1]From the National Association of Realtors' "Existing Home Sales" series.

[2]Reflects cumulative total through the latest month for each column.

[3]Secondary market gross yields.

[4]Benchmark rates, Citicorp Real Estate, Inc.

[5]Federal Reserve's weighted average interest rate for Commercial Banks.

[6]Weighted average gross yields for accepted bids.

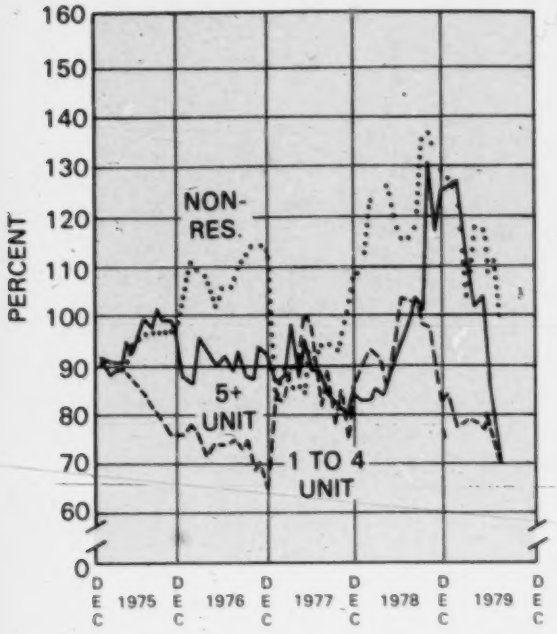
[7]Survey of three New York security dealers. Securities for immediate delivery.

[8]Mutual Savings Banks and Commercial Banks.

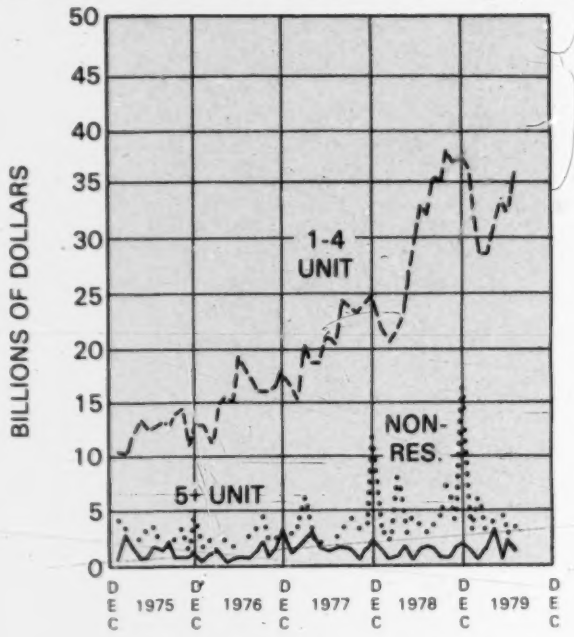
[9]Data from March 1979 not comparable to previous figures due to change in size of survey.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System, Bureau of the Census, Citicorp Real Estate, Inc., Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Mortgage Bankers Association of America, National Association of Mutual Savings Banks, National Association of Realtors, Veterans Administration.

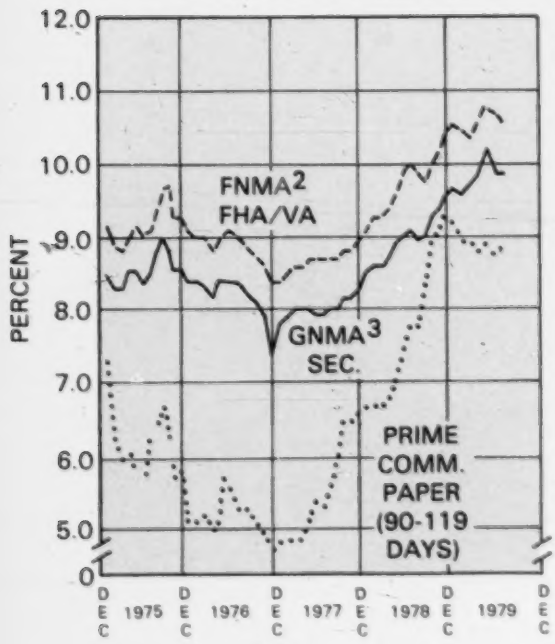
## MORTGAGE BANKERS' LONG-TERM MORTGAGE COVERAGE[1]



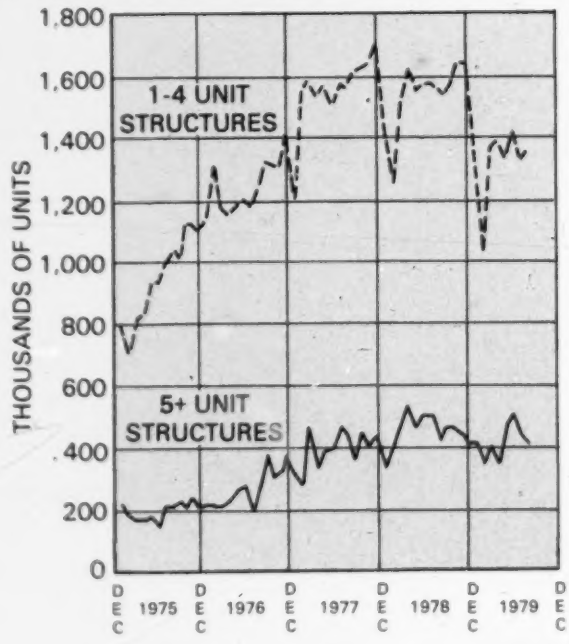

## MORTGAGE BANKERS' LONG-TERM MORTGAGE LOANS CLOSED SEASONALLY ADJUSTED ANNUAL RATES




## SELECTED YIELDS




## HOUSING STARTS SEASONALLY ADJUSTED ANNUAL RATES




FOOTNOTES
1. OUTSTANDING LONG-TERM COMMITMENTS RECEIVED FROM INVESTORS DIVIDED BY THE SUM OF OUTSTANDING END OF MONTH INVENTORY AND OUTSTANDING LONG-TERM COMMITMENTS ISSUED TO BORROWERS, MULTIPLIED BY 100.
2. WEIGHTED AVERAGE GROSS YIELDS FOR ACCEPTED BIDS OF ALL FNMA FREE MARKET AUCTIONS DURING THAT MONTH.
3. SURVEY OF THREE NEW YORK SECURITY DEALERS. SECURITIES FOR IMMEDIATE DELIVERY.

SOURCES: BUREAU OF THE CENSUS, FEDERAL NATIONAL MORTGAGE ASSOCIATION, FEDERAL RESERVE BOARD, MORTGAGE BANKERS ASSOCIATION

MBA — ECONOMICS DEPARTMENT